



DEPARTMENT OF STATE

Washington, D.C. 20520

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November 18, 1980

MEMORANDUM FOR: The Secretary
 FROM: PM - Reginald Bartholomew *(R.B.)*
 SUBJECT: Your Luncheon with Secretary Brown and
 Dr. Brzezinski, November 19

There follows the annotated agenda for this week's MBB luncheon:

1. Transition Team Briefing: Harold Brown has tentatively agreed to join you in briefing the President-elect's Transition Team on Friday. You will want to discuss with him the general outline you propose to follow and clarify the respective areas you will both cover. S/P is coordinating your presentation and we suggest you tell Harold you plan to structure your own presentation to focus on (1) the most urgent political and security issues, particularly our relations with the Soviets, arms control negotiations, the allies, the Middle East and Southwest Asia, China and Japan, Central America, and Southern Africa; (2) key foreign economic policy issues, particularly oil and trade relations with Japan; and (3) our longer term priorities including relations with the Third World, economic and security assistance programs, non-proliferation, and human rights.

You may want to suggest that Harold pick up on your general comments on the alliance and Southwest Asia to discuss our strategic posture, NATO military cooperation, security of the Persian Gulf, and our capabilities to support our other regional security commitments.

2. US Position on SALT II at the UNGA: We need an early decision on how the US should vote on the UNGA resolutions calling for SALT II ratification. These resolutions could come to a vote at any time. The options and differing agency views are summarized at Tab 1.

3. US Policy Towards Argentina and Chile: We understand Harold may raise several proposals with regard to Argentina. (Background at Tab 2.) In addition, the NSC staff believes

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that if we do decide on any significant initiatives towards Argentina, we should at the same time review our sanctions policy towards Chile. (Background at Tab 3.) ARA's suggested approach on these issues is contained in the attached background papers.

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At your October 30 MBB luncheon, you and Harold agreed that a PRC meeting could be held in the near future to review possible US initiatives towards Argentina. However, State and DOD reached substantial agreement at an IG meeting on November 14 that this was not an appropriate time to hold a PRC. There was a consensus that the most important initiative we could take -- seeking repeal of the Humphrey-Kennedy Amendment to the Foreign Assistance Act which prohibits arms sales to Argentina -- should not be considered at this time but should be left to the new Administration. DOD reserved its position on the other initiatives under consideration (reciprocal high level military visits, security consultations on the South Atlantic, and an invitation to send a guest instructor to the US Army School in Panama) although it agreed that it might be better to postpone the more highly visible initiatives until after January.

We understand Harold may again raise these proposals. If he does, you should tell him that you see little point in holding a PRC meeting at this time. If we are not prepared to undertake major initiatives such as Humphrey-Kennedy repeal, it is unlikely that the other steps such as the guest instructor would offer much leverage on Argentina with regard to our security concerns and they would conflict with our objectives on human rights, grains restrictions, and a more positive approach in Bolivia. We would want to hold the high level military discussions when we would be able to address US policy on arms sales.

Attachments:

1. Your Oct 18 memo to the President on Policy Toward Argentina.
2. DOD Oct 27 memo to the President on Argentina.

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With concurrence of: ~~10~~ October 18, 1980~~obtained 12-10-80~~IPS by MEMORANDUM FOR: Date ~~THE PRESIDENT~~

From:

Edmund S. Muskie *EMM*

Subject:

U.S. Policy Toward Argentina

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On May 29 the Inter-Agency Group for Latin America developed a strategy, subsequently approved by you, to improve our relations with Argentina during 1980.

However, following the IG meeting two events occurred which have caused us to reassess the timing of our initiatives:

-- The Bolivian military, with Argentine sympathy and support, staged a coup in Bolivia. Assistant Secretary Bowdler's visit to Buenos Aires was postponed as a result.

-- Argentina thus far has not agreed to continue cooperation beyond October on grains export restrictions to the Soviet Union.

I emphasized both of these issues, in addition to our human rights concerns, in my recent meeting with Argentine Foreign Minister Pastor at the UN General Assembly. Under Secretary Cooper in a subsequent discussion with the Argentine Minister of Economy received the impression that continued cooperation on grains is possible but much depends on the size of the 1980/81 harvests. We plan to continue our efforts through further discussions in Buenos Aires, Washington, and at international meetings.

Argentine decision-making is influenced by the nearness of our presidential election and by their own presidential transition. General Viola will replace President Videla March 29, 1981.

Under these circumstances, we believe that, while it is important to proceed with as many of the proposed 1980 initiatives as possible, it would be inappropriate to proceed this year with some of the steps earlier contemplated. However, we should maintain private dialogue and avoid public confrontation that would make this dialogue difficult. The steps we intend to proceed with this year and those we plan to defer until next year are as follows:

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I. Continuing or Early Action Initiatives:

-- We will pursue our significant commercial and economic interests in preparation for the meeting of the U.S.-Argentine Mixed Economic Commission to be held in Buenos Aires, probably in March or April (the earliest mutually convenient timeframe). The meeting will include discussion of bilateral trade issues and seek to expand commercial relations. We also would use this occasion to continue dialogue over the issues that may be current at that time.

-- We will move forward on negotiations to arrive at an agreement on the assurances required for the Nuclear Non-proliferation Act. We continue to urge the Argentines to ratify the Treaty of Tlatelolco as they had earlier promised you.

-- We will seek to conclude the negotiations for a bilateral income tax treaty and a consular convention.

II. Initiatives Postponed Until Next Year:

-- The first round of periodic security consultations, focusing on security of the South Atlantic.

-- Periodic policy talks on global and hemispheric issues.

-- Signing the Agricultural Cooperation Agreement, unless we can obtain a renewal of the Argentine decision to limit grains to the Soviet Union.

-- An invitation to an Argentine guest instructor to the U.S. Army School of the Americas until consultations with the Congress are completed and we are satisfied as to the timing of the initiative.

-- A high-level U.S. military visit, although we should keep under review the desirability of an invitation to a senior Argentine military leader, such as the Argentine Army CINC or Chief of Staff.

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CONFIDENTIALMBB ITEMSanctions Policy Towards Chile

The NSC staff has requested that you, Harold and Zbig review our sanctions policy towards Chile at this week's MBB. As you know, the sanctions were imposed in late 1979 as a result of the Letelier assassination and it was agreed at that time that they would be reviewed at the end of 1980.

You should say that we believe an overall review of our Chile policy would best be left to the new Administration. In the interim, should pressing issues arise in which an exception to our sanctions policy might be desirable, we can deal with these on an ad hoc basis.

Attached is the NSC 1979 memo outlining the sanctions approved by the President.

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MEMORANDUM FOR:

~~Date 12-5-79~~

Dist to:

THE SECRETARY OF STATE

ARA (Action)

S SUBJECT:

Letelier/Moffitt Case and U.S. Policy
to Chile (S)

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T The President has reviewed your memorandum of October 19, M 1979, on the Letelier/Moffitt case. On the basis of your S/P assessment that the overwhelming body of evidence makes it M/DG likely that charges would be upheld that high-ranking D/CT officials of the Chilean government were responsible for the M/MQ assassination of Orlando Letelier and Roni Moffitt, and on EB the basis of your judgment that the Government of Chile made H no serious effort to investigate or prosecute this crime, HA the President determined that we should take the following L actions which would constitute a strong reaffirmation of our PM determination to resist international terrorism and a deter- OPIQrent to those who might be tempted to commit similar acts S/S within our borders: (S)

S/S-S

TMA 1. Diplomatic Steps. State Department should meet with RF Chilean officials to reiterate our views that the Government (LEB) of Chile's failure to investigate this crime is unacceptable, and to explain the actions we are taking. The size of our Mission in Chile should be reduced as a concrete indication of our displeasure. This reduction should include personnel from the State Department and other agencies. (S)

2. FMS Pipeline. The FMS pipeline should be terminated in an orderly fashion by January 1, 1980. The State Department should minimize any termination costs that might require a Congressional appropriation. (S)

3. MilGroup. As the FMS pipeline is reduced, the MilGroup should be phased down to two officials. At the time of termination of the pipeline, the State Department should then assess whether the other two officials in the MilGroup should remain in Chile, and should submit a recommendation to the National Security Council at that time. (S)

4. EX-IM Financing. The President has determined that EX-IM financing to Chile should be denied because it is "in the national interest" and would "clearly and importantly advance U.S. policy in such areas as international terrorism." That Presidential determination will be published in the Federal Register soon. (S)

Zbigniew Brzezinski

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5. Export Licenses. State and Commerce Departments should continue to hold applications for licenses to export items to Chile for the use of the Chilean Armed Forces. Applications for new licenses should be carefully reviewed as they are presented.

6. OPIC. OPIC should not approve any further guarantees or undertake any new activities in Chile. (S)

7. Statement. The State Department should prepare a statement and submit it to the National Security Council for approval by noon, November 29, 1979. The statement should reiterate our grave concern and deep disappointment at the Chile Government's actions, including in particular its failure to investigate the crime, and outline the actions we are taking. The statement should be a clear and strong assessment of what we are doing. (S)

Mr. Amund

Zbigniew Brzezinski

SUGAR

Wrote to Taunay

→ We presented papers to transition teams
Richard Pipes on W. European policy
- draft decisions

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